

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 18548 271917Z

ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 NEA-10 ISO-00 SOE-02 AID-05

CEA-01 CIAE-00 COME-00 DODE-00 DOE-11 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06

OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 /134 W

-----017744 271930Z /43

R 271600Z DEC 77

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 6040

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY CARACAS

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

LIMITED OFFICIAL USE MOSCOW 18548

E.O. 11652: N/A

TAGS: UR, XF, OPEC, ENRG, UR

SUBJECT: SOVIET PRESS DECRIES OPEC PRICE FREEZE

SUMMARY: SOVIET PRESS HAS COMMENTED EXTENSIVELY ON OPEC MEETING AT CARACAS AND ON DECISION TO FREEZE PRICES. SUBSTANCE OF COMMENTARY HAS BEEN THAT U.S. PRESSURE ON COMPLIANT ARAB CONSERVATIVES, WHICH WAS INTENDED TO SPLIT OPEC, SUCCESSFULLY BLOCKED A FULLY JUSTIFIED PRICE RISE. END SUMMARY.

1. IZVESTIYA OF DECEMBER 21 CARRIED AN ARTICLE, DATED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 18548 271917Z

KUWAIT, BY IZVESTIYA CORRESPONDENT KASSIS AND TASS WRITER ZHADYAEV, WHICH MOVED FROM INNUENDOS AND NON SEQUITURS TO FULL ENCOURAGEMENT FOR THE OPEC RADICALS. NOTING THAT THE OPEC MEETING AT CARACAS CAME AT A TIME WHEN THE MIDDLE EASTERN SITUATION IS COMPLICATED BY "SEPARATE REGOTIATIONS" BETWEEN ISRAEL AND EGYPT AND CITING THE "THREAT BY THE USA OF THE POSSIBILITY OF

ARMED INTERVENTION...AND ALSO OF POLITICAL PRESSURE," THE ARTICLE ATTEMPTED TO ASCRIBE DIFFERENCES WITHIN OPEC ON OIL PRICING TO IMPERIALIST MACHINATIONS AND TO CONSERVATIVE ARAB COMPLICITY IN THESE MACHINATIONS.

2. THE AUTHORIS PRESENTED THE CASE FOR INCREASED OIL PRICES ON THE BASIS OF NEEC, WESTERN INFLATION, AND THE DECLINE OF THE DOLLAR. AT THE SAME TIME THE ARTICLE ACKNOWLEDGED AN INTERDEPENDENCE BWTWEEN OIL PRODUCERS AND CONSUMERS WHICH, IT CLAIMED, HAS ENABLED THE U.S. TO FIND SURROGATES WITHIN OPEC -- IN THE FIRST INSTANCE SAUDI ARABIA. THUS, ALTHOUGH SAUDI ARABIA PUBLICLY OPPOSES ISRAEL, ITS INVESTMENTS IN THE U.S. FLOW TO THE PENTAGON, THEN TO ISRAEL. IN THIS WAY THE U.S. IS CREATING "AN ALLIANCE OF ISRAELI EXTREMISM WITH ARAB REACTION."

3. SUBSEQUENT TO THE OPEC PRICE DECISION BOTH IZVESTIYA (DECEMBER 23, BY V. KONDRASHOV) AND PRAVDA (DECEMBER 25, BY GEORGII SKOROV) HAVE CARRIED COMMENTARIES DECRYING THE PRICE FREEZE AND ATTRIBUTING IT TO OPEN U.S. PRESSURE WHICH WAS INTENDED TO SPLIT OPEC RANKS. CALLING OPEC "AN IMPORTANT FACTOR IN THE STRUGGLE AGAINST MONOPOLIES, AGAINST IMPERIALISM," KONDRASHOV REPEATED THE JUSTIFICATION FOR A PRICE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 18548 271917Z

RISE ON THE BASIS OF NEED. SKOROV PAINTED MUCH THE SAME PICTURE AS KONDRASHOV OF CONSERVATIVE ARABS SERVING U.S. INTERESTS AND CONCLUDED BY STATING THAT THE PROBLEM OF ESTABLISHING A FAIR PRICE FOR OIL REMAINS "UNRESOLVED."

4. COMMENT: IN THIS CASE A PRICE RISE WOULD HAVE SERVED BOTH MOSCOW'S INTEREST IN ADDING HUNDREDS OF MILLIONS OF DOLLARS TO ITS HARD CURRENCY EARNINGS AND SOVIET POLITICAL INTERESTS IN SEEING THE POSITION OF THE ARAB RADICALS STRENGTHENED. NEVERTHELESS, WE FIND IT SURPRISING THAT THE SOVIET PRESS, AND PARTICULARLY IZVESTIYA OF DECEMBER 21, ATTACKED THE CONSERVATIVE ARABS BY OPENLY LINKING THEM WITH ISRAEL AT A TIME WHEN THE CONSERVATIVES HAVE BEEN RESTRAINED AT BEST IN THEIR SUPPORT OF SADAT AND WHEN SOVIET DIPLOMACY MAY STILL HOPE THAT THEY CAN BE KEPT FROM SUPPORTING EGYPT OPENLY.
TOON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PRICES, MEETINGS, CARTELS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MOSCOW18548
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770482-0443
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771216/aaaaamsp.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6f5d0efd-c188-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 127644
Secure: OPEN
Status: NATIVE
Subject: SOVIET PRESS DECRIES OPEC PRICE FREEZE SUMMARY: SOVIET PRESS HAS COMMENTED EXTENSIVELY ON OPEC MEETING AT CARACAS AND ON DECISION TO FREEZE PRICES. SUBST
TAGS: ENRG, UR, XF, OPEC
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/6f5d0efd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009